

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2020-83-E - ORDER NO. 2020-\_\_\_\_

September \_\_, 2020

IN RE:	Application of Duke Energy	)	
	Carolinas, LLC for Approval of	)	
	Demand-Side Management and	)	ORDER APPROVING RIDER 12
	Energy Efficiency Rider 12,	)	
	Increasing Residential Rates and	)	
	Decreasing Non-Residential Rates	)	
	_____	)	

This matter comes before the Public Service Commission of South Carolina (“Commission”) on the Application of Duke Energy Carolinas, LLC (“DEC” or “the Company”) for approval of Demand-Side Management (“DSM”) and Energy Efficiency (“EE”) Rider 12 (“Rider 12”). The Company filed the Application on March 2, 2020 and made certain amendments to the Application through a filing on May 11, 2020.

Calculations for Rider 12 were computed in accordance with the Application, testimony and the Commission’s Order in Docket No. 2013-298-E. The specific components of Rider 12 include:

- a. Year 2016, January 2016 – December 2016: True-up of Year 1, Year 2, Year 3 and Year 4 lost revenues.
- b. Year 2017, January 2017 – December 2017: True-up of Year 1, Year 2 and Year 3 lost revenues.
- c. Year 2018, January 2018 – December 2018: true-up of shared savings, true-up of Year 1 and Year 2 lost revenues and an estimate of Year 4 lost revenues.

- d. Year 2019, January 2019 – December 2019: true-up of program costs, shared savings and Year 1 of lost revenue and an estimate of Year 3 lost revenues.
- e. Year 2020, January 2020 – December 2020: estimate of Year 2 lost revenues.
- f. Year 2021, January 2021 – December 2021: estimate of program costs, shared savings, and Year 1 lost revenues, as well as an estimate of 2021 existing DSM program costs.

The revenue DEC proposed to recover through the proposed Rider 12, as clarified in the Company's May 11, 2020 filing, is \$45,335,574 for Residential Customers and \$31,708,422 for Non-Residential Customers.

A Notice of Filing was published in newspapers of general circulation in the Company's service area. A Petition to Intervene was filed by and subsequently granted as to Walmart Inc. A Joint Petition to Intervene was filed by and subsequently granted as to the South Carolina State Conference of the NAACP, Southern Alliance for Clean Energy, and the South Carolina Coastal Conservation League. The Office of Regulatory Staff ("ORS") is a party to this proceeding as per S.C. Code Ann. § 58-4-10(B).

DEC requested moved for expedited review of this matter, which includes a waiver of hearing. Under the terms of S.C. Code Ann. § 58-27-870(F), a proposed rate may be put into effect without a hearing, *inter alia*, when the proposed rate does not require a determination of the entire rate structure and overall rate of return, and when the new rate will facilitate an orderly rate administration, all of which are true in this case. Further, since there are also no objections from the parties, the waiver of the hearing is granted.

According to the Application, the recovery mechanism of the EE/DSM portfolio has three components: (1) recovery of the costs the Company incurs to offer and deliver EE and DSM

programs to customers; (2) recovery of net lost revenues incurred for up to thirty-six (36) months of a measure's life for EE programs; and (3) a shared savings incentive that is equivalent to 11.5% of net savings achieved through the Company's portfolio of EE/DSM programs.

The ORS filed its review report, which included a recommendation to reduce the Company's total system program costs by \$15,568 to account for the removal of certain expenses that were either not allowable for ratemaking purposes or lacked appropriate documentation for cost recovery. The Company agreed to accept this adjustment. Also, the Commission has examined the adjustment to the Company's proposal, and we approve it, subject to the program cost adjustment, as reasonable under the circumstances described. The effect of the adjustment on the billing factors originally proposed and the resultant billing factors are as follows, stated in cents per kWh:

<u>DSM/EE Rider</u>	<u>Requested Rider 12 Rate</u>	<u>Adjusted Rider 12 Rate</u>
Residential	0.6878	0.6877
Non-Residential	0.6788	0.6788

According to ORS, the Company reports that realized cumulative energy savings for the Company's portfolio of programs have exceeded the anticipated energy savings by forty-six percent (46%). Although the number of non-residential opt-outs has increased slightly, the Company continues to work directly with large non-residential customers in an effort to attract those customers to participate. We have examined the proposed rates as adjusted by ORS and agreed to by the Company, and hereby adopt them as described above, including both the Rider 12 residential rate and the Rider 12 non-residential rate, as adjusted.

Further, we appreciate the collaborative nature of these proceedings and encourage DEC to continue to consider the comments and recommendations made by the Intervenors.

IT IS THEREFORE ORDERED:

1. That DEC's request to implement Rider 12 is approved, subject to the ORS adjustment. The rider shall be in effect from January 1, 2021, to December 31, 2021, or until further order of the Commission.

2. That DEC shall file its tariff for the approved rates on or before December 20, 2020 using the Commission's E-Tariff filing system. The tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

3. That this Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:

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Justin T. Williams, Chairman

ATTEST:

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Jocelyn Boyd, Chief Clerk/Administrator